

method, and were in the second compression ratio corresponds to the DV compression method.

B/ concl:

42. (New) Apparatus according to Claim 39, wherein said output means spectrum-diffusion modulates the input data. -

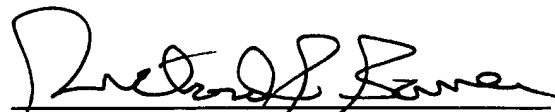
REMARKS

Consideration and allowance of the subject application are respectfully requested.

Claims 25-42 are pending in the application. Claims 25, 30, 34, and 39 are independent.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should continue to be directed to our below listed address.

Respectfully submitted,


Attorney for Applicants

Registration No. 32,588

FITZPATRICK, CELLA, HARPER & SCINTO
30 Rockefeller Plaza
New York, New York 10112-3801
Facsimile: (212) 218-2200